



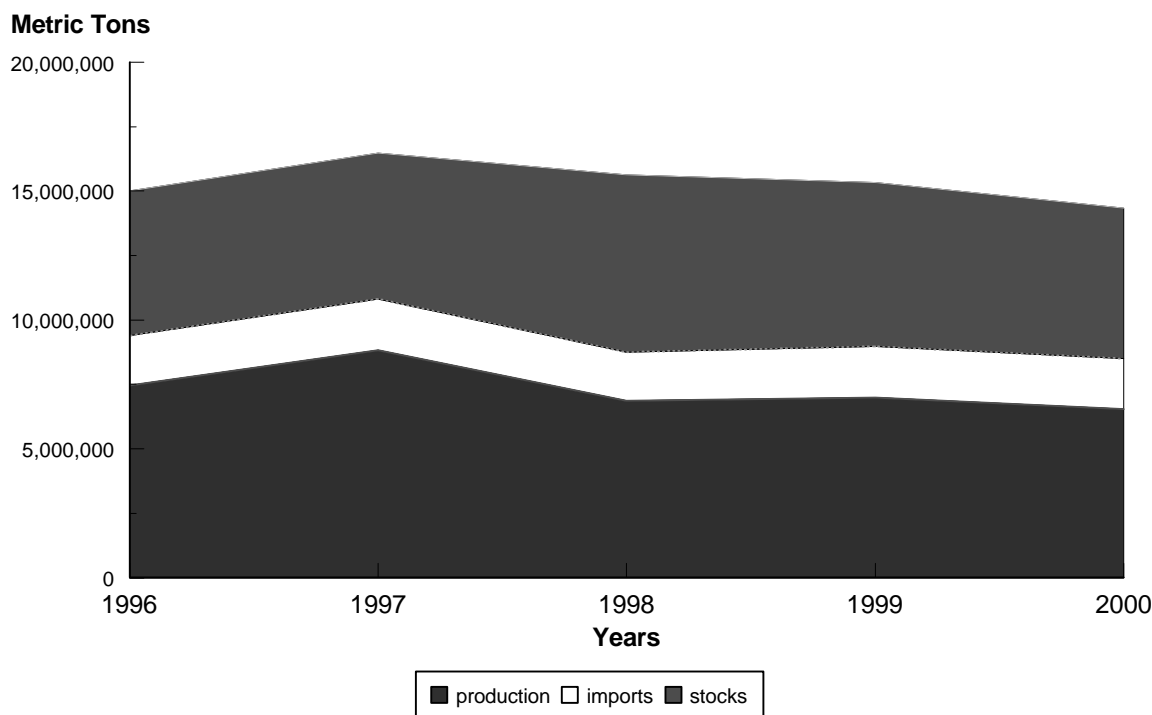
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Tobacco: World Markets and Trade

Global Leaf Supply To Fall in 2000



World unmanufactured tobacco stock levels are projected to decline by 8 percent in 2000. The 8-percent decline is a result of countries adjusting their tobacco production to domestic consumption. China and the United States combined have over half the world's stock levels. China, which accounts for about 34 percent of world leaf stocks, is expected to reduce stock levels by nearly 28 percent in 2000 by cutting production. The Chinese goal for 2000 is to lower stocks by 1 million metric tons within three years. Stock levels in the United States are expected to remain high because of a drop in leaf exports and a decrease in domestic leaf demand. High stock levels will have a negative effect on the U.S. tobacco quota and leaf output in the coming year.

Approved by the World Agricultural Outlook Board/USDA